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THE COVER *With their summer vacation almost at an end, youngsters enjoyed the pool in Salt Lake City's Pioneer Park, Friday, September 1, 1911. Shipler Collection, Utah State Historical Society Library.*

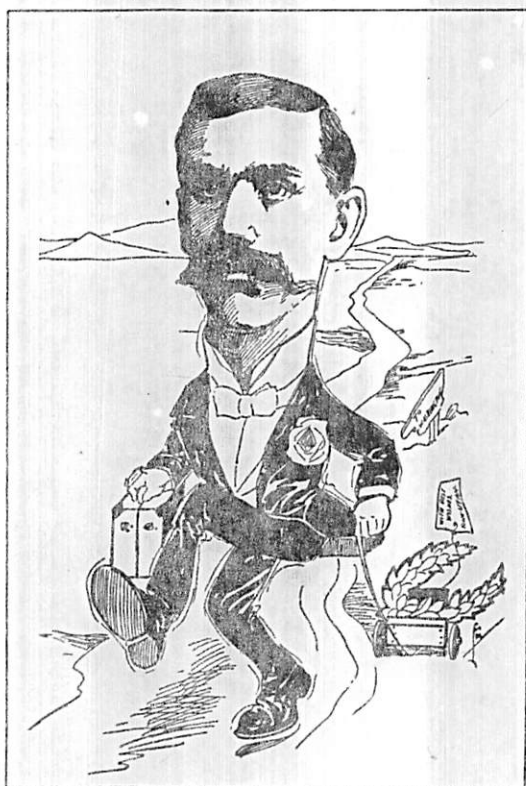
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In this issue

Although it was settled thirty years earlier, Heber City was not incorporated as a town until 1889. That same year saw the founding of the Wasatch Wave, a weekly newspaper that, according to the first article in this issue, served as the town's booster, watchdog, and reporter of local news—a role common to country newspapers throughout the United States. If group life necessitates

a means of communication it demands as well a means of exchange, as the next article, a detailed study of holographic scrip, makes clear. The varieties of scrip illustrate the ingenuity of buyers and sellers, employers and employees in coping with the lack of specie in pioneer Utah. A half-century later there was no lack of cash in Utah—much of it in the hands of mining entrepreneurs. Among these Gilded Age moguls Jesse Knight did not run true to type, the third article asserts. For one thing he was a Mormon. Furthermore, he eschewed political office and the dubious business practices and self-indulgent excesses of many of his peers. An enlightened capitalist, he was a major benefactor of Brigham Young University.

The final four articles in this issue deal with historical curiosities or puzzles: the code devised by Reed Smoot and his colleagues to assure the privacy of telegrams and letters during the congressional investigation of the Utah senator; the controversial death of Gobo Fango, a black sheepherder, and the acquittal of his killer, a white cattleman; the origin of Tooele, Utah's most enigmatic place name; and, finally, a contemporary field adventure to find the exact location of an obscure well in southern New Mexico used by the Mormon Battalion.



Cartoon by Alan L. Lovey, 1906.

This artist drew many prominent Utah political and business figures such as Smoot.



Jesse Knight. USHS collections.

Jesse Knight, Utah's Mormon Mining Mogul

BY RICHARD H. PETERSON

THERE WERE RELATIVELY FEW MILLIONAIRES in the precious and related nonprecious metals mining industry of the late nineteenth century trans-Mississippi West, and very few of these were members of the Church of Jesus Christ of Latter-day Saints. As Wallace Stegner aptly suggests, "mineral wealth . . . [was] generally, in the Mormon Country, the peculiar province of the Gentiles" (non-Mormons). Jesse Knight was a notable exception to this rule. Not only was he a Utah

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Mormon mining magnate, but "in the second decade of the twentieth century, he was probably the largest single holder of patented mining interests in the inter-mountain country."¹ Yet, "Uncle Jesse," as he was affectionately known, is probably best remembered as the "patron saint" of Brigham Young University. His contributions to BYU from 1898 until his death in 1921 amounted to over \$500,000 and included the contruction of several campus buildings, land, irrigation bonds, and a \$200,000 endowment fund to be administered by the Knight Bank and Trust Company.² As of the mid-twentieth century, whatever endowment the school had was largely due to the generous philanthropy of Jesse Knight. He also was active in the administration of BYU from 1901 until 1921, serving as trustee, chairman of the executive committee of the board of trustees, and vice-president of the board. His wife, Amanda, whom he married in 1869 and with whom he had five children, shared her husband's interest in the institution. She established the Amanda Knight scholarships for deserving students and in 1898 donated seven and a half acres of land on Temple Hill near the campus to the Provo Fourth Ward of the LDS church. Known as Raymond Park in honor of her eldest son, the land subsequently was transferred to the university with Amanda Knight's blessing in 1904.³

What made such educational philanthropy and other extensive church-related charity possible? It is not enough to claim, as Jesse Knight once did, that he became a prosperous mining industrialist by virtue of divine guidance or "manifestation," which led him to discover and develop rich silver-lead properties such as the famous Humbug Mine in the Tintic Mining District near Eureka, Utah.⁴ It took more than God's favor to become a successful mining entrepreneur in such an unpredictable industry. Various managerial skills were neces-

¹ Wallace Stegner, *Mormon Country* (New York: Duell, Sloane, and Pearce, 1942), pp. 202-3.

² Jesse William Knight, *The Jesse Knight Family: Jesse Knight, His Forebears, and Family* (Salt Lake City: Deseret News Press, 1940), pp. 73, 89-92, 96; and the Jesse Knight folder, Business Records and Family Papers of Jesse Knight, Brigham Young University Archives, Provo, Utah (hereafter cited as JKP). Also see Gary Fuller Reese, "Uncle Jesse, The Story of Jesse Knight, Miner, Industrialist, Philanthropist" (M.S. thesis, Brigham Young University, 1961), pp. 36-52.

³ Knight, *The Jesse Knight Family*, pp. 28-29, 98, 103-104. Given his support of BYU and his administrative involvement, it is ironic that his daughter Jennie claimed that "Father used to say, 'It's all right so long as our children don't marry school teachers [emphasis mine] or Republicans.'" See the ms. biography of Amanda Knight by her daughter, pp. 13-15, box 168, JKP. Also see Keith L. Smith, "A History of the Brigham Young University—The Early Years, 1875-1921" (Ph.D. diss., Brigham Young University, 1972), pp. 76-77.

⁴ Stegner, *Mormon Country*, pp. 200-201. Knight sold the Humbug to former Utah governor Simon Bamberger shortly before it played out. The story of divine inspiration regarding its discovery reportedly moved the disappointed buyer to cynically comment, "Jesse Knight might not have had a revelation when he found the mine, but he surely had one when he sold it." See Reese, "Uncle Jesse," p. 30.

sary to turn potentially barren holes in the ground into profitable, paying properties. Based extensively on the Knight manuscript papers and correspondence in the BYU Archives, this article documents Knight's successful business practices and reveals, where appropriate, the extent to which they and selected aspects of his lifestyle differed from typical entrepreneurial norms within the western mining industry and big business in general.

Knight was born in the Mormon sanctuary of Nauvoo, Illinois, in 1845. His father, who died when Jesse was only a year old, was in charge of the first fifty teams to cross the Missouri River during the Mormon exodus to Utah, 1846-47. The premature death of his father left his mother, Lydia Goldthwaite Knight, with the awesome responsibility of caring for seven children. Thus, Knight's boyhood was spent in struggling poverty.⁵ According to his son Jesse William, "as a young boy, [he] knew nothing much but hardships such as herding cows barefooted, gathering pigweeds and sego roots as a help toward the family's meager food supply. His clothing consisted of coarse homespun cloth, sacks and madeover clothes of all kinds."⁶ His mother used a loom and the light provided by a flame from a greased rag in the evening to make clothes for her large family.⁷

Denied an opportunity for formal education, other than that provided by his mother, Knight went to work at an early age. When not working on his mother's farm near Provo, Utah, in the late 1850s, Jesse hauled wood, oats, barley, and other produce and materials to various destinations throughout the West, including mining camps in Nevada and Montana. Although he also was employed as a logger, most of his youth was spent in freighting and merchandising. When he was about twenty-five years old he invested his accumulated savings in a dairy ranch near Payson, Utah. The moderate capital return from ranching and freighting eventually formed the basis for his mining investments. While engaged in ranching in the 1870s he began to prospect the hills near Tintic. After some limited success in locating and selling claims in the area, he discovered the Humbug Mine in 1886. Considerable time elapsed, however, before he had sufficient means to

⁵ The Mormon migration to Utah is ably described in Wallace Stegner, *The Gathering of Zion: The Story of the Mormon Trail* (New York: McGraw-Hill, 1964). For Knight's very early years see the *Deseret News* (Salt Lake City), March 14, 1921; Knight, *The Jesse Knight Family*, p. 25; and Orson F. Whitney, *History of Utah*, 4 vols. (Salt Lake City: George Q. Cannon and Sons, 1892-1904), 4:511-14.

⁶ Knight, *The Jesse Knight Family*, p. 25.

⁷ *Deseret News*, March 14, 1921.

develop the claim. It took years of hard work, saving, and a \$1,500 mortgage on his ranch before he and his sons were able to bring out the first load of ore. The second shipment of ore to the United States Smelting Company netted over \$11,000. The mine proved sufficiently valuable that he refused an offer to sell it for \$110,000.⁸

The Humbug formed the basis of the eventual mining fortune of a frontier farm boy who seemed to personify the rags-to-riches struggle of the characters developed by Horatio Alger in his many melodramatic stories of the period. Thus, despite the Mormon emphasis on the integrity of the group and communitarian ideals, it is understandable that Knight apparently believed, as did many other big businessmen of the era, in the cult of the self-made man and "rugged individualism." Judging by the advice he gave a young man seeking employment, he saw industry and frugality in typical Alger fashion as essential to success in business:

The best advise [sic] that I can give you and that which I think have been [sic] more valuable to young men than either giving or lending them money has been . . . for them to find work and save their earnings and in this way enter into whatever they chose to do either in a line of business or in obtaining an education. The men who have accompolished [sic] the most are those who have had to work at "Manual Labor." That is the way I got my start in life and without the desire to work one's chances in this life are not the best for success, and no matter what one makes a success of thers [sic] always plenty of work to do to make that success continue.

The apparent contradiction between Knight's Mormonism and his capitalistic outlook may be resolved in part by the fact that nineteenth-century Mormons, like seventeenth-century Puritans, stressed the importance of hard work and thrift in achieving success and salvation.¹⁰

As the Humbug proved profitable, Knight acquired other surrounding mines in the vicinity, including the Uncle Sam, Beck Tunnel, Iron Blossom, and Colorado. This undoubtedly was done to protect the Humbug from the legal challenges that plagued the industry, to maximize his control over the mineral-rich ore in the area, and to

⁸ Ibid.; Knight, *The Jesse Knight Family*, pp. 25-41; and the *National Cyclopedia of American Biography*, 51 vols. (New York: James T. White and Co., 1892-1969), 19:276; and Reese, "'Uncle Jesse,'" pp. 22-24.

⁹ Knight to Victor T. Petterson, December 4, 1908, Knight Investment Company Correspondence, box 50, 1908-1909, file P, JKP.

¹⁰ For an attempt to place Mormonism within the New England Puritan social-intellectual tradition, see David Brion Davis, "The New England Origins of Mormonism," *New England Quarterly* 27 (June 1953): 147-68.

secure and consolidate adjacent mines before they became too costly.¹¹ Knight's monthly income from the Humbug and Uncle Sam alone soon averaged \$10,000. More impressive, the Iron Blossom paid \$2,370,000 in dividends from 1906 until 1916.¹² Knight was thus well on his way to becoming a full-fledged millionaire after years of trial-and-error prospecting in which patience and good timing more than divine intervention paid rich dividends for exploring the Tintic district.

In addition, his long-term success as a mining industrialist can be attributed in part to an enlightened labor policy in an industry notorious for disruptive strikes and other labor-management disputes. In fact, western mine workers became involved in some of the most radical of American labor unions, particularly the Western Federation of Miners, founded at Butte, Montana, in 1893 and the Industrial Workers of the World or "Wobblies," organized in 1905. Clashes between management and labor led to bitter strikes and often armed conflict at Coeur d'Alene, Idaho, in 1892 and 1899, at Leadville, Colorado, in 1896, at Cripple Creek, Colorado, in 1894 and 1904, and at other mining camps and were among the most violent in American labor history.

To avoid such confrontations and ensure maximum continuous production and profit, Knight set down reasonably generous rules for his workers in the company town of Knightville, which he established at his mines in 1897:

He would raise wages without being asked; he would not run a boarding house and require [his employees] to patronize it, as often [was] done in other places; and [he] would arbitrarily take nothing out of their wages for hospital funds, insurance fees, . . . nor would he permit his superintendent to question any man as to his religion or politics. In return for these concessions Mr. Knight was to be free to summarily discharge men who were found spending their wages for drink and neglecting to support their families.¹³

¹¹ Reese, " 'Uncle Jesse,' " pp. 28-29. Regarding the nagging problem of litigation, Knight, like other mining entrepreneurs, learned that out-of-court settlements often were preferable to protracted, expensive suits over contested properties. With this in mind, his lawyers arranged a compromised settlement between the Charm Mining and Milling Company and Knight's Ibex Gold Mining Company over disputed property. See Ibex Gold Mining Co. to E. W. Senior, March 11, 1910, Ibex Gold Mining Co. Correspondence, box 132, 1907-1921, file R-Z, JKP.

¹² Reese, " 'Uncle Jesse,' " pp. 28-29. He eventually sold the Uncle Sam for \$500,000. See "Who's Who and Why—Knight Thoughts," *Saturday Evening Post* 89 (November 11, 1911): 27.

¹³ Whitney, *History of Utah*, 4:514; and Reese " 'Uncle Jesse,' " pp. 27-28. For a description of the model coal-mining town owned by Knight, see James B. Allen, "The Company Town: A Passing Phase of Utah's Industrial Development," *Utah Historical Quarterly* 34 (1966): 150-51. For a discussion of company-owned mining towns and some of their abuses see James B. Allen, *The Company Town in the American West* (Norman: University of Oklahoma Press, 1966).



Colorado Consolidated mine staff and crew, ca. 1911. Some of the young men were reportedly given jobs by Jesse Knight to help finance their education. USHS collections.

Such concessions and restrictions helped to maintain a stable working environment and created in Knightville an atypical mining community without the saloons, gambling halls, and brothels that characterized mining camps throughout the West. In addition, Knight paid his men twenty-five cents more per day than the regular wages in other mines so they might rest on Sunday without a reduction in earnings. Such policies led to his temporary dismissal from the mine operators' organization in Utah until its members saw that there were advantages in following a similar plan of Sunday holidays.¹⁴

Knight took special interest in the health and safety of his workers. In 1908 he ordered his superintendent at Eureka to be particularly alert to the possibility of mine accidents:

¹⁴Knight, *The Jesse Knight Family*, pp. 43-44; Stegner, *Mormon Country*, pp. 202-3; and Reese, "Uncle Jesse," pp. 27-28.

I enclose herewith circular letters to be delivered personally to each and every ass't, including shift bosses in our employment and under your direction. The letters are sent out with the hopes that it will bring forcefully to the minds of every man in authority, the necessity of giving the closest attention to all details that will minimize accidents to men in our employment.¹⁵

A final example illustrates his benevolent labor policies. A worker who was hospitalized in September 1909 had his hospital bills paid by the Knight Investment Company, a holding company for Knight's many diverse enterprises. The company also paid a half of this worker's salary, or \$1.25 per day for the month of September.¹⁶ Such practices suggest that an employer could effectively manage his employees by compassion rather than by intimidation. A satisfied work force ensured greater effort and profit as opposed to the financial losses incurred by prolonged protests and work stoppages. It is likely that Knight's Mormon ethics, managerial good sense, and previous personal experience as a working miner shaped his enlightened labor policies.¹⁷

It took more than good labor relations to sustain success in the western mining industry. The expense of developing mining claims, which often proved unproductive, required large amounts of investment capital. In 1909 Knight had notes of several hundred thousand dollars outstanding with Zion's Bank and Trust Company. He made a practice, however, of never paying more than 6 percent annual interest on money he borrowed. He also required stockholders in his mining companies to pay an assessment of one-half cent to five cents per share, with one cent the most typical charge.¹⁸ This was a fairly

¹⁵ Knight to Superintendent John Roundy, December 16, 1908, Knight Investment Company Correspondence, box 50, file Q-R, JKP.

¹⁶ R. E. Allen, secretary of the Knight Investment Co., to C. A. Williams, September 14, 1909, *ibid.*, box 51, file V-Z.

¹⁷ It should be noted that not all Mormon mine owners behaved as generously toward their workers as Jesse. In a major strike at Eureka in the Tintic district in 1893 such Mormon mining entrepreneurs as John Beck, Moses Thatcher, and Aaron E. Hyde adopted a hard-line policy, including the use of strikebreakers and federal marshals. Apparently their Mormon ethics did not temper their managerial decisions; however, it would be a mistake to assume that this strike influenced Jesse's later progressive labor policy. It occurred three years before his profitable development of the Humbug. More important, perhaps, Jesse Knight was a Mormon with a uniquely generous personal spirit. It would be unfair to compare him with other Mormon mining leaders whose labor policies became embroiled in a community conflict with Gentiles in the Eureka episode. See Paul A. Frisch, "Labor Conflict at Eureka, 1886-97," *Utah Historical Quarterly* 49 (1981): 145-56; and Philip F. Notarianni, *Faith, Hope, and Prosperity: The Tintic Mining District* (Eureka, Ut.: Tintic Historical Society, 1982).

¹⁸ See interest payments to the bank from the Knight Investment Co., 1909, box 48, 1908-1909, file A-B; Knight to Mrs. E. B. Weight (prospective stockholder), March 18, 1909, box 51, 1908-1909, file S; and R. E. Allen to the Salt Lake Stock and Mining Exchange, August 13, 1909, box 51, file S, Knight Investment Co. Correspondence.

common means of raising capital in western mining. In fact, Knight informed the superintendent of one of his properties in 1909, "Unless a corporation is so that we can assess it we consider it almost worthless."¹⁹

Apparently, Jesse was not inclined to advertise his properties in local mining journals such as the *Salt Lake Mining Review*, although other Utah mining magnates like Thomas Kearns took advantage of this promotional, capital-raising technique to attract prospective investors.²⁰ Of course, the best advertisement was success itself and the reputation of the mine developer. The Chicago brokerage firm of Harry S. Lewis and Company informed Knight:

We have a number of customers who are interested in Colorado, Iron Blossom, and other of the companies in which you hold the controlling interest, and we are free to say that most of our people were largely influenced in their investments by reason of the fact that you personally control and manage these properties. . . . You are looked upon as a practical miner and not as a stock manipulator.²¹

Indeed, Knight claimed that he was "not in the business for keeping stocks up or knocking them down. I simply work for dividends."²² If so, his ethics were a striking departure from the kind of fraudulent stock manipulation that characterized the profiteering practices of other mine owners, such as those who developed the Comstock Lode, where, according to one authority, "it was generally believed that the mines were worked in the interest of the stock speculators rather than the stockholders."²³

In addition to land or claims, labor, and capital, technical knowledge had to be acquired and effectively utilized to ensure long-term success, especially when working with ores in which precious metals were found in combination with base metals like lead or copper. Specialized geological and metallurgical information was often required. Apparently, Knight corresponded regularly with the U.S. Geological

¹⁹ Knight to superintendent of the Mountain Lake Extension Mining Co., April 23, 1909, *ibid.*, box 48, file C. An example of how extensive assessments could be comes from Nevada's Comstock Lode where from 1859 until 1875 assessments on the Crown Point Mine amounted to \$2,575,000 while dividends totaled \$11,898,000. See Myron Angel, *History of Nevada with Illustrations and Biographical Sketches of Its Prominent Men and Pioneers* (1881; Berkeley, Calif.: Howell-North, 1958), p. 616.

²⁰ Secretary of the Knight Investment Co. to the *Salt Lake Mining Review*, September 10, 1908, Knight Investment Co. Correspondence, box 51, 1908-09, file S.

²¹ Harry S. Lewis to Knight, October 5, 1909, *ibid.*, box 49, file L.

²² Knight to H. S. Lewis, October 9, 1909, *ibid.*, box 49, file L.

²³ Oscar Lewis, *Silver Kings: The Lives and Times of Mackay, Fair, Flood, and O'Brien, Lords of the Nevada Comstock Lode* (1947; New York: Alfred A. Knopf, 1967), p. 43.

Survey. In 1909, for example, he received the USGS mining production report for 1907 and a map of the western mining districts.²⁴ He also subscribed to the reputable Engineering and Mining Journal and as a member of the Utah Chapter of the American Mining Congress was in a position to benefit from innovations in mining equipment, metallurgical processes, and other technical developments.²⁵ New techniques and equipment were implemented only after careful study, however. Knight bought only proven machinery. In 1909 he wrote the manufacturer of a newly designed drilling machine, "I am not convinced of the success of the drilling machine. . . . Until this machine has done something more than experimental work, I would not care to take any chances other than the letting of a contract (i.e., to run a tunnel)."²⁶ In effect, caution rather than a gambling instinct was critical in making the technological decisions essential to success. Knight was not known as a bold risk taker.

Many of the leading industrialists of the Gilded Age were totally integrated, self-sufficient personalities. This often carried over into the organization of their business empires. Whether they were in oil, steel, or mining, it was common to practice what business historians call vertical integration, whereby the services, supplies, and resources necessary to their major entrepreneurial endeavor were owned by them in one diversified corporation, such as a holding company, or controlled through separate independent companies. Jesse Knight was no exception. Not only did he own a number of mines, but he also controlled the auxiliary facilities necessary to their production. For example, Knight's Supply Company furnished his mines and reduction or smelting works with mechanical tools and railroad track.²⁷ His Consolidated Power Company, organized in 1910, owned electric power plants that serviced his mines and the Tintic Smelter at Silver City, which he built in 1908. The Eureka Hill Railroad, constructed from his mines to the smelter, proved to be very profitable even after the smelter failed to satisfy his needs fully.²⁸ He also owned the Utah Ore Sampling Company, which operated facilities at Murray, Silver

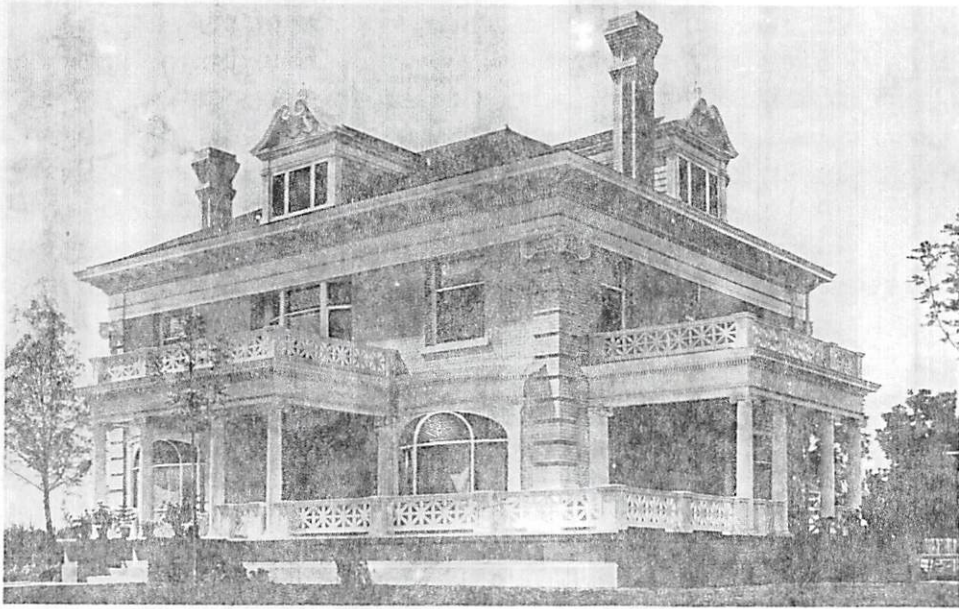
²⁴ U.S. Geological Survey to Knight, January 14, 1909, Knight Investment Co. Correspondence, box 49, file H.

²⁵ See request for subscription, 1908, *ibid.*, box 48, file E-F; and Knight, *The Jesse Knight Family*, pp. 95-96.

²⁶ Knight to Duncan MacVichie, March 2, 1909, Knight Investment Co. Correspondence, box 50, file M.

²⁷ For Knight's Supply Company, see Inter-Mountain Selling Co. to Knight Supply Co., December 5, 1908, *ibid.*, box 49, file I-J; and Knight to David Evans, August 11, 1908, *ibid.*, box 48, file E-F.

²⁸ Reese, "'Uncle Jesse,'" p. 32; Knight, *The Jesse Knight Family*, pp. 45-47, 66.



Home of Jesse and Amanda Knight in Provo lacks the ostentation of many millionaires' residences of the period. Shieler photograph, USHS collections.

City, Sandy, and Park City, Utah. These plants assayed ore from his properties, such as the Beck Tunnel and Ibex mines, before it was smelted. This protected Knight from unscrupulous middlemen who could cheat him with fraudulent assays.²⁹ In sum, by controlling supply, sampling, smelting, milling, and railroad operations, Knight was able to minimize the potentially excessive cost or deceitfulness of dealing with independent outside suppliers of such services.

Many mining entrepreneurs, like other big businessmen, used the holding company as a convenient legal means of managing the diverse corporations they either owned or controlled. In 1906 the Knight Investment Company was formed for that purpose. Eventually, it controlled eighty corporations, including mining, sampling, smelting, railroad, and electric power companies. Knight sought to keep his many companies a family affair. Members of the family sat on the boards of directors and held stock in the various corporations either personally or as officials of the holding company. For instance, in 1910 nearly half of the Great Western Gold and Copper Mining Company's 1,000,000 shares were owned by Knight Investment Company. Jesse personally held ten shares, while his son J. William

²⁹ Letters to Ibex Gold Mining Co. and Utah Ore Sampling Company, July 14, 1913, and March 29, 1915, Ibex Mining Co. Correspondence, 1907-1921, box 132, file R-Z; and Business Manager, Ibex Gold Mining Co. to John Smith, December 2, 1909, *ibid.*, 1907-1921, box 132, file R-Z.

owned over 2,600. Most important, the holding company, much like the early trusts, allowed mining magnates like Knight to coordinate the operations of what otherwise were sometimes competing firms. This created a multifaceted, regional industrial empire that reflected the good managerial sense of the hard-working Knight, who remarked in a letter to his son Raymond: "I know you are considerably like me; put business ahead of pleasure always and simply make slaves of ourselves for business. But I suppose this is a pleasure [and] rather than anything else the reason why we do it."³⁰

Simply putting business before pleasure was not enough to sustain success. Occasionally, Knight became involved in the political process to protect his economic interests. He had an opportunity to do so when the Democratic party offered him the gubernatorial nomination in 1908. He declined, however, citing business priorities:

At the present time my whole energy is being exerted in the ultimate success of the smelter and the mining business; and I feel that to make a success of these two important industries will be a far greater benefit to the State of Utah than would be my acting as its governor, should I accept the nomination and be elected. That position would take my time from an industry which is assuming no small proportions, and which has been my life-long ambition to make a success.³¹

Later, he confessed to a friend: "I would have accepted the nomination had I been sure they would have knocked me out, but I was afraid they might select me, and I did not want to be humiliated [sic] for four years trying to be something that I could not be."³² The absence of a prohibition plank in the Utah Democratic party platform provides an additional reason for his refusal to accept the nomination.³³ In 1908 he also turned down an appointment by the American Mining Congress as honorary vice-president for the state of Utah on the basis of political inexperience: "I cannot accept the position as I am very much lacking in education, and have never had any experience in conducting public gatherings, and have never been in politics or anything . . . to give me . . . experience in any public way. . . ."³⁴

³⁰ Knight to Raymond, December 31, 1908, Knight Investment Co. Correspondence, box 48, file I-J.

³¹ Knight to James Hamilton, Attorney, September 1, 1908, *ibid.*, box 49, file H.

³² Knight to J. L. McHatton, November 23, 1908, *ibid.*, box 50, file M.

³³ *National Cyclopaedia of American Biography*, 19:276. J. William, Jesse's son, was nominated and ran in his father's place but lost the election. See Reese, "Uncle Jesse," p. 85. According to the *Saturday Evening Post*, J. William Knight "changed his name for campaign purposes to Jesse Knight, Junior. . . ." See "Who's Who and Why—Knight Thoughts," p. 27.

³⁴ Knight to the secretary of the American Mining Congress, January 15, 1908, Knight Investment Co. Correspondence, 1908-1909, box 48, file A-B.

Despite his reservations about holding public office, Knight could not remain aloof from politics, particularly when his mining business was directly threatened. The Utah State Constitution stipulated taxation of mines on the basis of net proceeds. In fact, all property in the state prior to 1915 was assessed at about 40 percent of full value, except mines. They were assessed at the value of the net proceeds plus five dollars per acre for their land and the value of their machinery and buildings.³⁵ Knight protested a proposed constitutional amendment to tax mines at full assessed valuation rather than net proceeds.

A mine is unlike most other classes of property, such as land or factories, whose owners enjoy every year the use of the entire property. To tax the unrealized and unknown values in a mine is to tax a man on property which is not in his possession and which, in fact, may not exist. Even suppsng [sic] it were possible to ascertain how much ore is located in a given mine, who can tell what it will be worth when it is taken out?³⁶

He argued further that “no particular class of property could be taxed out of existence” because of a constitutional provision. The proposed amendment was defeated in 1915.³⁷

On another matter affecting his business interests, Knight asked Rep. Joseph Howell of Utah to support a Congressional bill to establish a U.S. Bureau of Mines. He reasoned: “I think this bureau would be of as great benefit to the mining industry throughout the United States as is the Department of Agriculture to the farming industry of our country. . . .”³⁸ Obviously, shrewd mining capitalists like Knight tried to promote the positive use of government at the same time that they fought its potentially negative effects.

A more serious political issue arose over the congressional movement to reduce or eliminate a duty imposed on the importation of competing foreign lead, especially from Mexico. Thomas Kearns and Jesse Knight made their intentions known as important domestic lead-silver producers. When the price of silver declined during the depression of the early 1890s lead protectionism became more critical than ever before. In 1893, following a June layoff of workers at his Silver King Mine, Kearns asserted that if the tariff were to be taken

³⁵ *Deseret Evening News*, October 15, 19, 24, 1918.

³⁶ *Ibid.*, October 12, 1918.

³⁷ *Ibid.*, October, 12, 15, 1918.

³⁸ Knight to Howell, Washington, D.C., April 7, 1908, Knight Investment Co. Correspondence, 1908-1909, box 49, file H. The Bureau of Mines was created in 1910 to gather statistics on mineral production and to ensure efficient mining, processing, use, and, later, recycling of mineral resources.

from lead it would "knock them [the mines] out in short order" with the silver market depressed.³⁹ As a delegate from Summit County to the Utah State Republican Convention in 1895 he strongly supported maintaining the tariff.⁴⁰ In 1909, when the mining industry again faced a possible reduction in the lead tariff, Knight telegraphed Sen. Nelson Aldrich of Rhode Island that "any further reduction in [the] tariff on lead would necessitate the closing down of many mines and smelters and cause general panic in the West."⁴¹ As chairman of the powerful Senate Finance Committee, Aldrich was responsible for numerous amendments to the House-sponsored tariff bill of 1909 which proposed substantial rate reductions on many items; however, the controversial Payne-Aldrich Tariff Act of 1909 actually raised rates and removed items from the duty free list.

A strong supporter of the Democratic party, who had the honor of entertaining William Jennings Bryan at his Provo home, Knight was not afraid to exercise what influence he had to create a political climate favorable to his enterprises. When properly managed, government, like the more familiar factors of production such as land, labor and capital, was critical to entrepreneurial prosperity.⁴²

Jesse Knight is significant in western entrepreneurial history because in several important ways he was different from the typical "robber baron" capitalists of the Gilded Age. His success, like theirs, depended upon the skillful acquisition and management of such business variables as land, labor, capital, technology, and government services and the development of cost-efficient vertically and horizontally integrated enterprises. A Mormon, he owned more patented mining claims in the Intermountain West than his Gentile counterparts of the early twentieth century. He was not inclined to engage in stock manipulation like many other mining entrepreneurs and railroad barons. Moreover, his business methods, especially when dealing with his working men, were far more paternalistic and benevolent than those of the typical big businessmen of the era. While other com-

³⁹ As quoted in Kent S. Larsen, "The Life of Thomas Kearns" (M.A. thesis, University of Utah, 1964), p. 34.

⁴⁰ Ibid., p. 36.

⁴¹ Knight to Aldrich, March 29, 1909, Knight Investment Co. Correspondence, 1908-1909, box 48, file A-B.

⁴² Knight's daughter Jennie described the family as "dyed in the wool Democrats." See the manuscript biography of Amanda Knight by her daughter, box 168, JKP, 13-14. Knight contributed \$500 to the Bryan campaign fund on at least one occasion in 1908. See Knight Investment Co. Correspondence, 1908-1909, box 48, file D. For evidence that Bryan was a guest at Knight's home during one of his speaking tours see the ms. biography above, pp. 13-14.

pany town and mine owners often exploited their workers, Knight treated his workers very fairly in the company town of Knightville, which he equipped with a meetinghouse, amusement hall, and school instead of the usual hedonistic conveniences of mining camp life.⁴³ Although his philanthropy was not unique for business elites of the period, his substantial, generous gifts to Brigham Young University, the Mormon church, and to many church-related projects—such as an agricultural community in Alberta, Canada—reveal a kindly, religiously motivated disposition.⁴⁴ Furthermore, his comfortable but unostentatious home in Provo did not rival the extravagantly garish mansions built by big businessmen from San Francisco's Nob Hill to New York's Fifth Avenue.⁴⁵ Nor did he aspire to high political office like mining kings George Hearst, James Fair, William Sharon, John P. Jones, Nathaniel Hill, Jerome Chaffee, Horace Tabor, William Clark, or Thomas Kearns—all of whom served in the United States Senate or "millionaire's club." Essentially more sensitive and modest than most business leaders during this age of ruthless capitalism and conspicuous consumption, he probably deserved the endearing nickname of "Uncle Jesse"—a rich but giving uncle. In fact, he believed that his money was "being shown to him for the purpose of doing good and building up the Church; he regarded the matter as a trusted stewardship."⁴⁶ Or, as he once said: "The earth is the Lord's bank, and no man has a right to take money out of that bank and use it extravagantly upon himself."⁴⁷ Few nabobs of the era would have been willing to make such an assertion. Although he strayed from the church in his early years and briefly affiliated with the anti-Mormon Liberal party in Utah, one must assume that his otherwise devout Mormon faith significantly prevented him from falling prey to the capitalistic corruption and self-indulgent excesses so common to business elites of the Gilded Age and the western mining industry. Jesse Knight might not have been the only Mormon mining magnate in Utah, but he left a memorable mark on the church and the educational and industrial development of the state.

⁴³ See Knight, *The Jesse Knight Family*, pp. 43-44; and Stegner, *Mormon Country*, pp. 202-3.

⁴⁴ Stegner, *Mormon Country*, pp. 204-5, discusses Knight's activities in Alberta, Canada. In addition to the traditional tithe, he also at various times loaned the Mormon church considerable sums of money. See Reese, "'Uncle Jesse,'" pp. 69-73.

⁴⁵ For a description of Knight's home and hospitality see the ms. biography of Amanda Knight by her daughter, box 168, JKP, 6, 13-14.

⁴⁶ Knight, *The Jesse Knight Family*, pp. 39-40.

⁴⁷ Whitney, *History of Utah*, 4:514.